

Annuity Funded Life Insurance Cash Flow Analysis

Loan Analysis	
Interest Rate*	LIBOR + 2% 6.7500%
Insurance	
Mass Mutual	\$425,304
Phoenix Life	\$362,914
Annulity Deposit	\$12,793,431
Total Loan	\$13,581,649

Insurance Policy Information	
(Insurance illustrations are included)	
Mass Mutual	\$10,000,000
Phoenix Life	\$8,000,000
Total Coverage:	\$18,000,000

Annuity Taxation Details	
Exclusion Ratio	63.5%
Tax Bracket	40%

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Year	Age	Annulity Payout	Interest Paid	Ins Premium
1	73	\$ 1,854,987	\$ (788,218)	\$ (624,430)
2	74	\$ 1,854,987	\$ (970,262)	\$ (624,430)
3	75	\$ 1,854,987	\$ (959,719)	\$ (624,430)
4	76	\$ 1,854,987	\$ (947,893)	\$ (624,430)
5	77	\$ 1,854,987	\$ (935,247)	\$ (624,430)
6	78	\$ 1,854,987	\$ (921,726)	\$ (624,430)
7	79	\$ 1,854,987	\$ (907,269)	\$ (624,430)
8	80	\$ 1,854,987	\$ (891,811)	\$ (624,430)
9	81	\$ 1,854,987	\$ (875,283)	\$ (624,430)
10	82	\$ 1,854,987	\$ (857,611)	\$ (624,430)
11	83	\$ 1,854,987	\$ (838,715)	\$ (624,430)
12	84	\$ 1,854,987	\$ (818,511)	\$ (624,430)
13	85	\$ 1,854,987	\$ (796,909)	\$ (624,430)
14	86	\$ 1,854,987	\$ (773,811)	\$ (624,430)
15	87	\$ 1,854,987	\$ (749,114)	\$ (624,430)
16	88	\$ 1,854,987	\$ (722,707)	\$ (624,430)
17	89	\$ 1,854,987	\$ (694,472)	\$ (624,430)
18	90	\$ 1,854,987	\$ (664,283)	\$ (624,430)
19	91	\$ 1,854,987	\$ (632,003)	\$ (624,430)
20	92	\$ 1,854,987	\$ (597,489)	\$ (624,430)
21	93	\$ 1,854,987	\$ (563,756)	\$ (624,430)

At Death Net			
Insurance Face	To Lender	Net Insurance	
\$ 18,000,000	\$ (13,581,649)	\$ 4,418,351	
\$ 18,000,000	\$ (14,281,261)	\$ 3,718,739	
\$ 18,000,000	\$ (14,110,424)	\$ 3,889,576	
\$ 18,000,000	\$ (13,927,760)	\$ 4,072,240	
\$ 18,000,000	\$ (13,732,450)	\$ 4,267,550	
\$ 18,000,000	\$ (13,523,619)	\$ 4,476,381	
\$ 18,000,000	\$ (13,300,332)	\$ 4,699,668	
\$ 18,000,000	\$ (13,061,566)	\$ 4,938,414	
\$ 18,000,000	\$ (12,806,312)	\$ 5,193,688	
\$ 18,000,000	\$ (12,533,366)	\$ 5,466,634	
\$ 18,000,000	\$ (12,241,525)	\$ 5,758,475	
\$ 18,000,000	\$ (11,929,479)	\$ 6,070,521	
\$ 18,000,000	\$ (11,595,832)	\$ 6,404,168	
\$ 18,000,000	\$ (11,239,086)	\$ 6,760,914	
\$ 18,000,000	\$ (10,857,643)	\$ 7,142,357	
\$ 18,000,000	\$ (10,449,793)	\$ 7,550,207	
\$ 18,000,000	\$ (10,013,709)	\$ 7,986,291	
\$ 18,000,000	\$ (9,547,434)	\$ 8,452,566	
\$ 18,000,000	\$ (9,048,881)	\$ 8,951,119	
\$ 18,000,000	\$ (8,515,813)	\$ 9,484,187	
\$ 18,000,000	\$ (8,330,046)	\$ 9,669,954	

Basis Balance	Amount Taxable	Annulity Tax
\$ 12,793,431	\$ 677,070	\$ 270,828
\$ 11,615,515	\$ 677,070	\$ 270,828
\$ 10,437,598	\$ 677,070	\$ 270,828
\$ 9,259,682	\$ 677,070	\$ 270,828
\$ 8,081,765	\$ 677,070	\$ 270,828
\$ 6,903,849	\$ 677,070	\$ 270,828
\$ 5,725,932	\$ 677,070	\$ 270,828
\$ 4,548,016	\$ 677,070	\$ 270,828
\$ 3,370,099	\$ 677,070	\$ 270,828
\$ 2,192,183	\$ 677,070	\$ 270,828
\$ 1,014,266	\$ 840,720	\$ 336,288
-	\$ 1,854,987	\$ 741,995
-	\$ 1,854,987	\$ 741,995
-	\$ 1,854,987	\$ 741,995
-	\$ 1,854,987	\$ 741,995
-	\$ 1,854,987	\$ 741,995
-	\$ 1,854,987	\$ 741,995
-	\$ 1,854,987	\$ 741,995
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-	\$ 1,854,987	\$ 741,995
-	\$ 1,854,987	\$ 741,995

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Fig. 1

Patent Pending

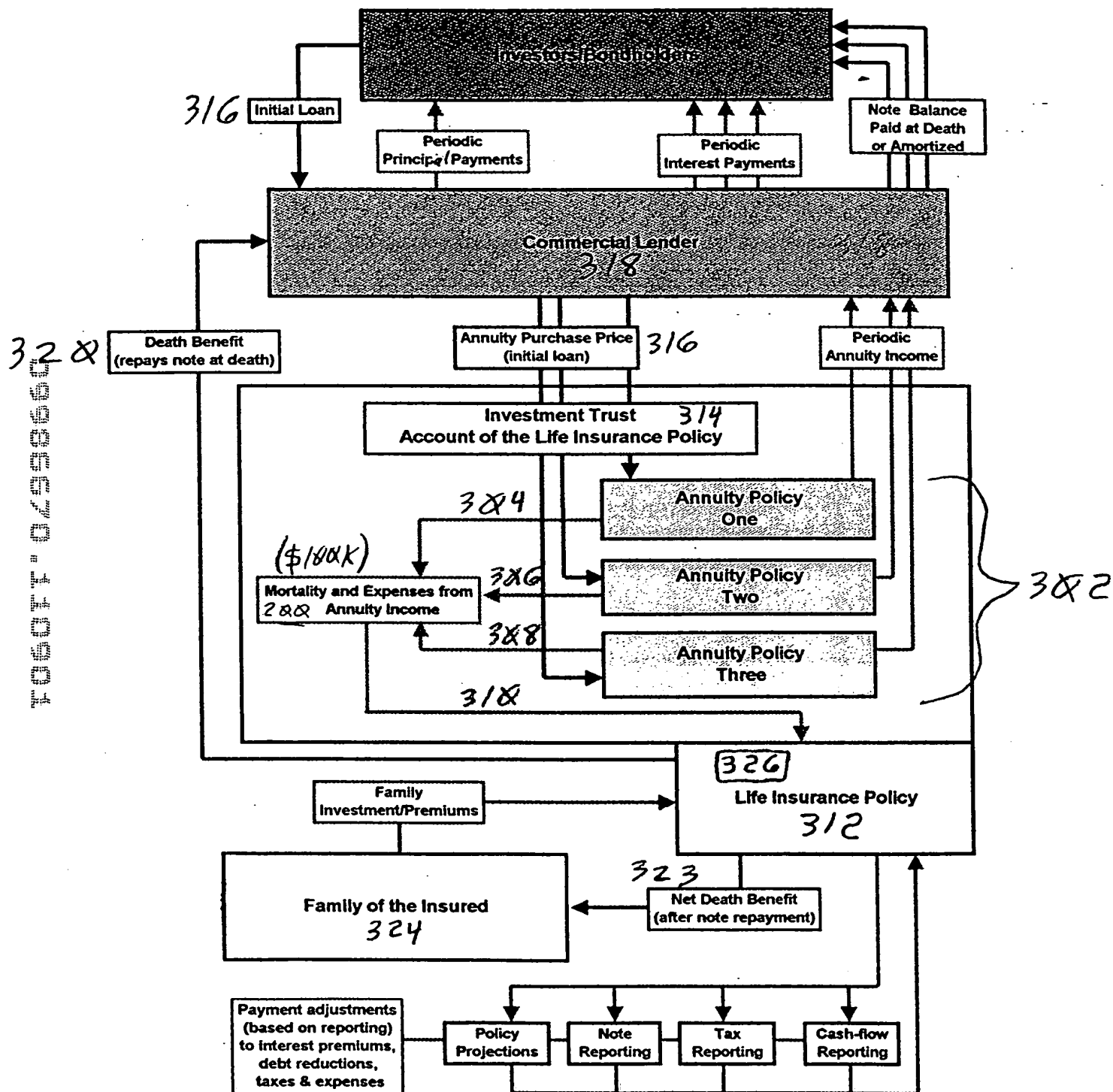
Loan Analysis	
Interest Rate*	LIBOR +2%
Insurance	
Mass Mutual	\$425,304
Phoenix Life	\$362,914
Annuity Deposit	\$12,793,431
Total Loan	\$13,581,849

Annuity Cash Flow			
Annuity Payout	Interest Due	Ins Premium	Service Fee
\$ 1,854,987	\$ (970,262)	\$ (788,218)	\$ (91,667)
\$ 1,854,987	\$ (959,719)	\$ (624,430)	\$ (100,000)
\$ 1,854,987	\$ (947,893)	\$ (624,430)	\$ (100,000)
\$ 1,854,987	\$ (935,247)	\$ (624,430)	\$ (100,000)
\$ 1,854,987	\$ (921,726)	\$ (624,430)	\$ (100,000)
\$ 1,854,987	\$ (907,269)	\$ (624,430)	\$ (100,000)
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\$ 1,854,987	\$ (632,003)	\$ (624,430)	\$ (100,000)
\$ 1,854,987	\$ (597,489)	\$ (624,430)	\$ (100,000)
\$ 1,854,987	\$ (563,756)	\$ (624,430)	\$ (100,000)

Year	Age
1	73
2	74
3	75
4	76
5	77
6	78
7	79
8	80
9	81
10	82
11	83
12	84
13	85
14	86
15	87
16	88
17	89
18	90
19	91
20	92
21	93

Fig. 2

Where the annuity investment and the loan are internal to a Life Insurance Policy and the tax obligation is contained within the Insurance Policy



Embodiment Two

Where the Investment Trust is a subsidiary of a Life Insurance Company and the tax obligation is passed to the Insurer and/or an Insurance Policy

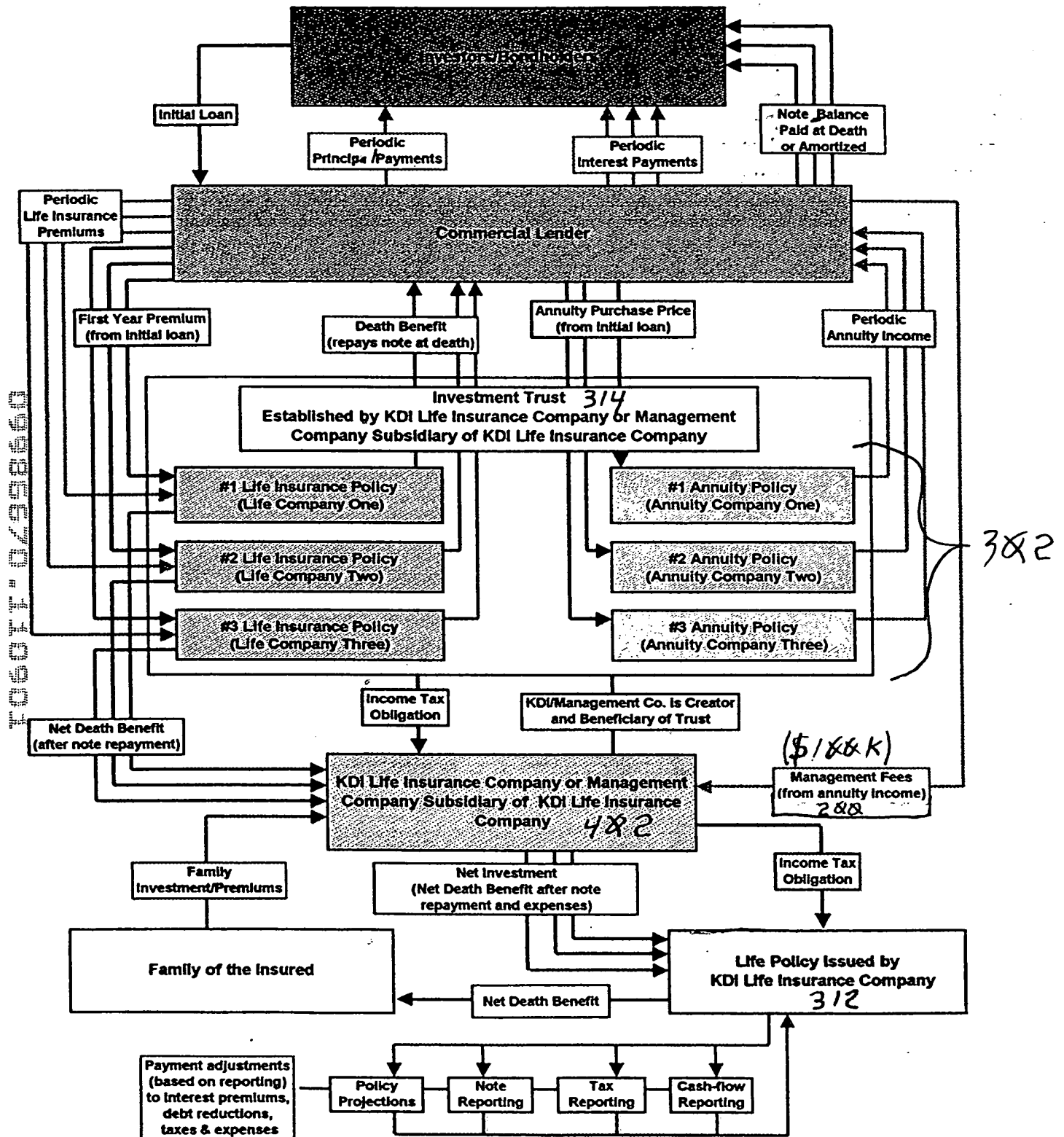


Fig. 4

Embodiment Four

Where the Investment Trust is a subsidiary of or a Tax Favored Company and the tax obligation is passed to the company and the benefit is paid as a dividend

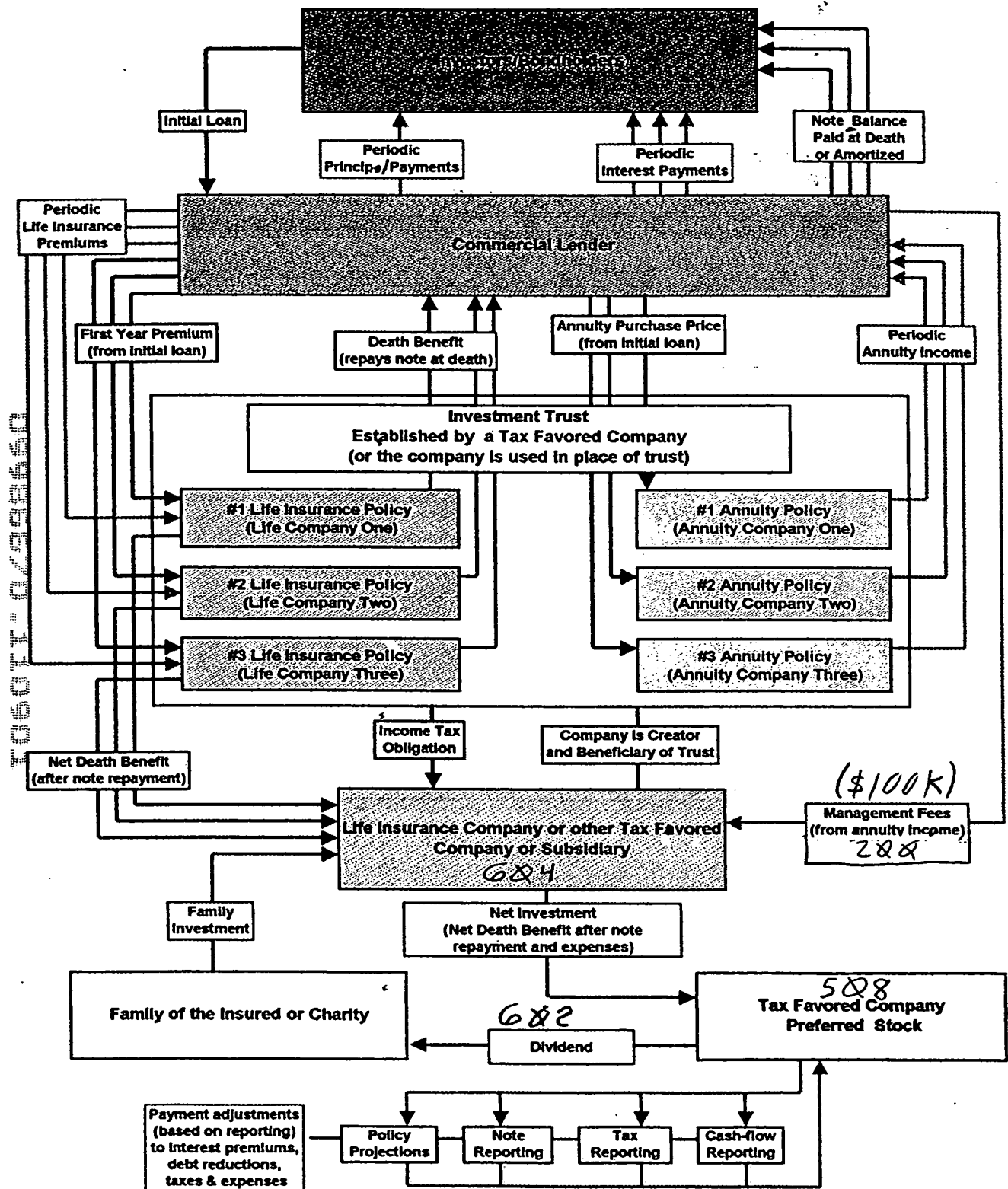


Fig. 6

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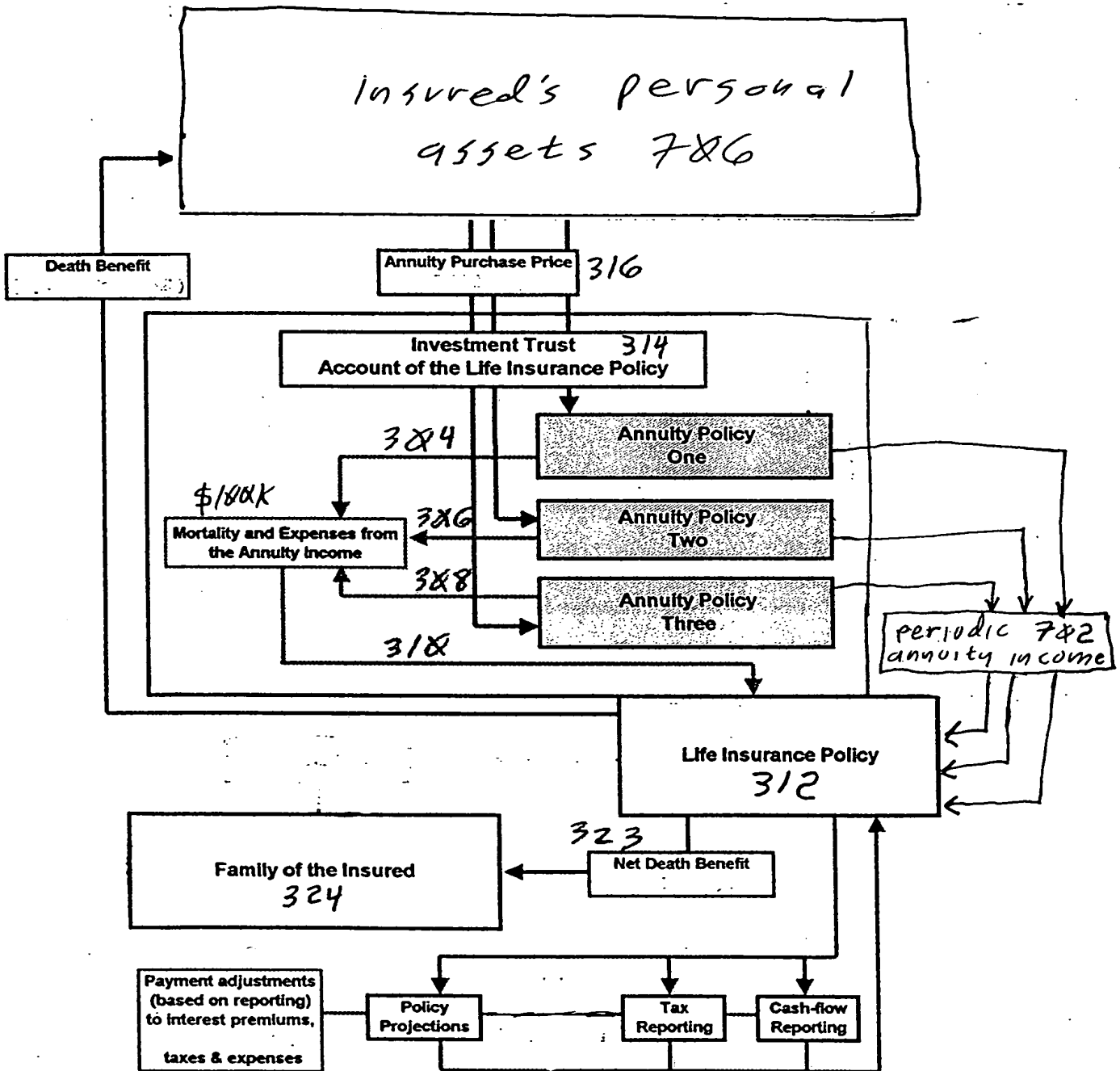
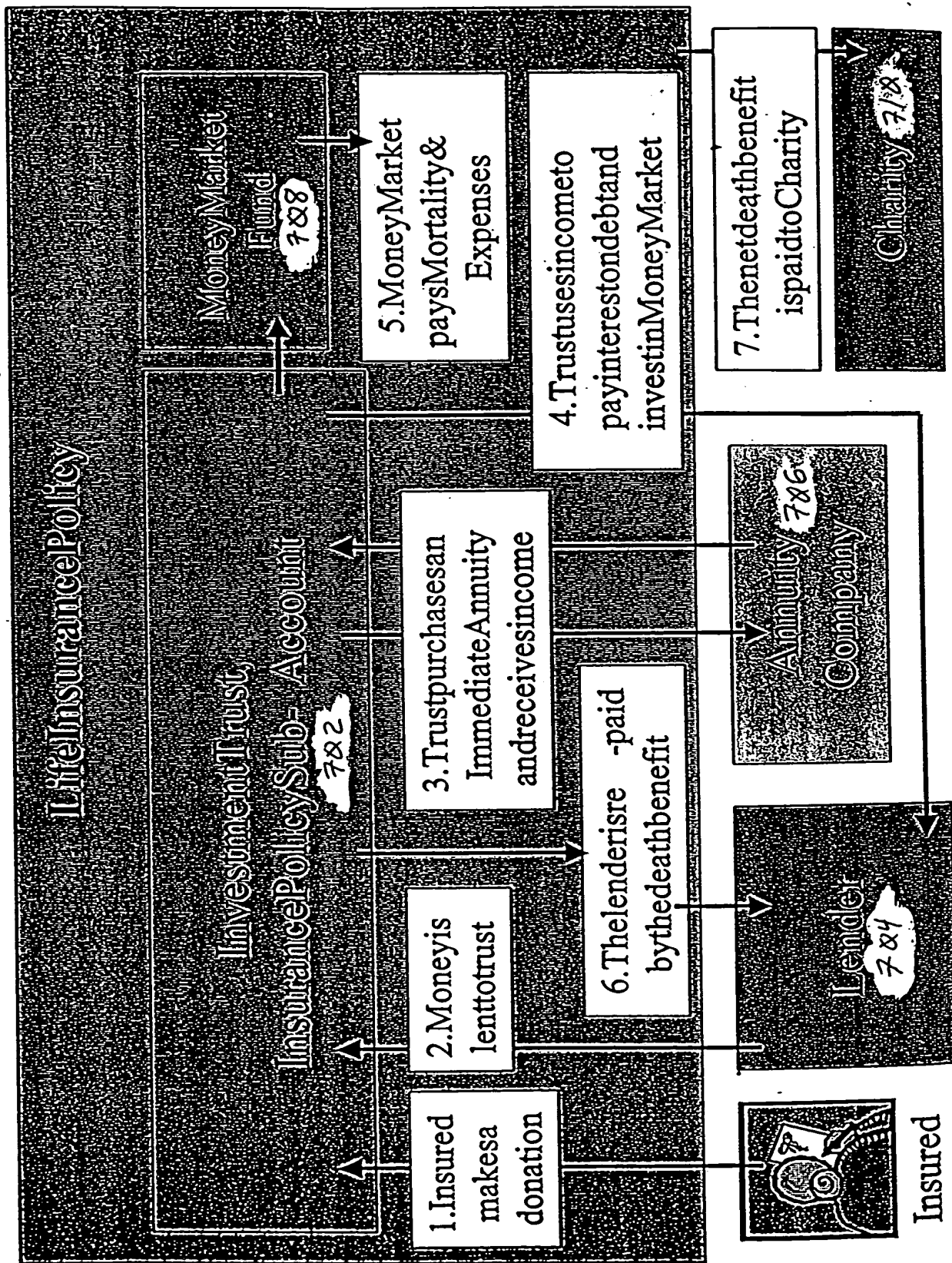


Fig. 7

Charitable Endowment Policy



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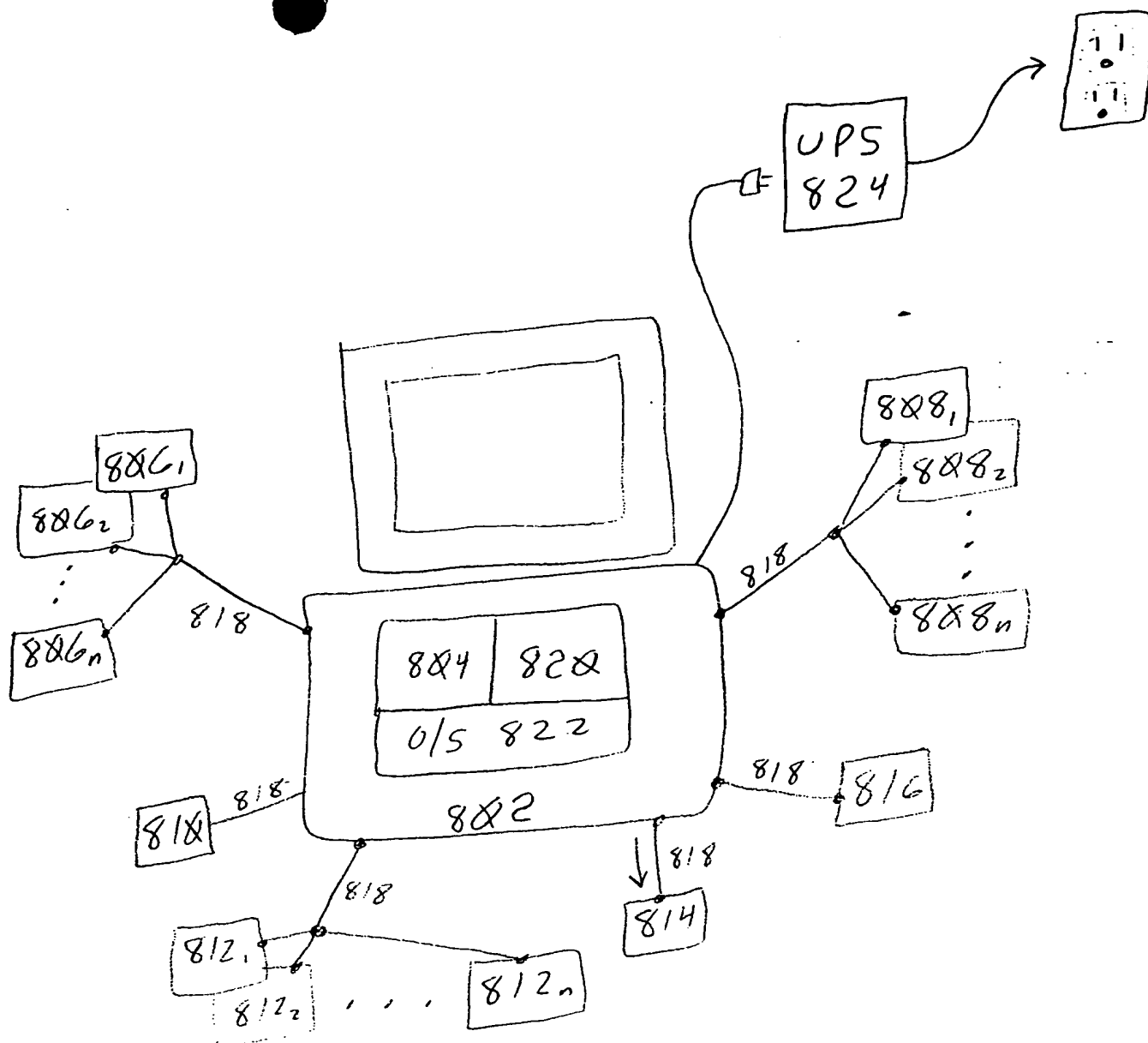


Fig. 9

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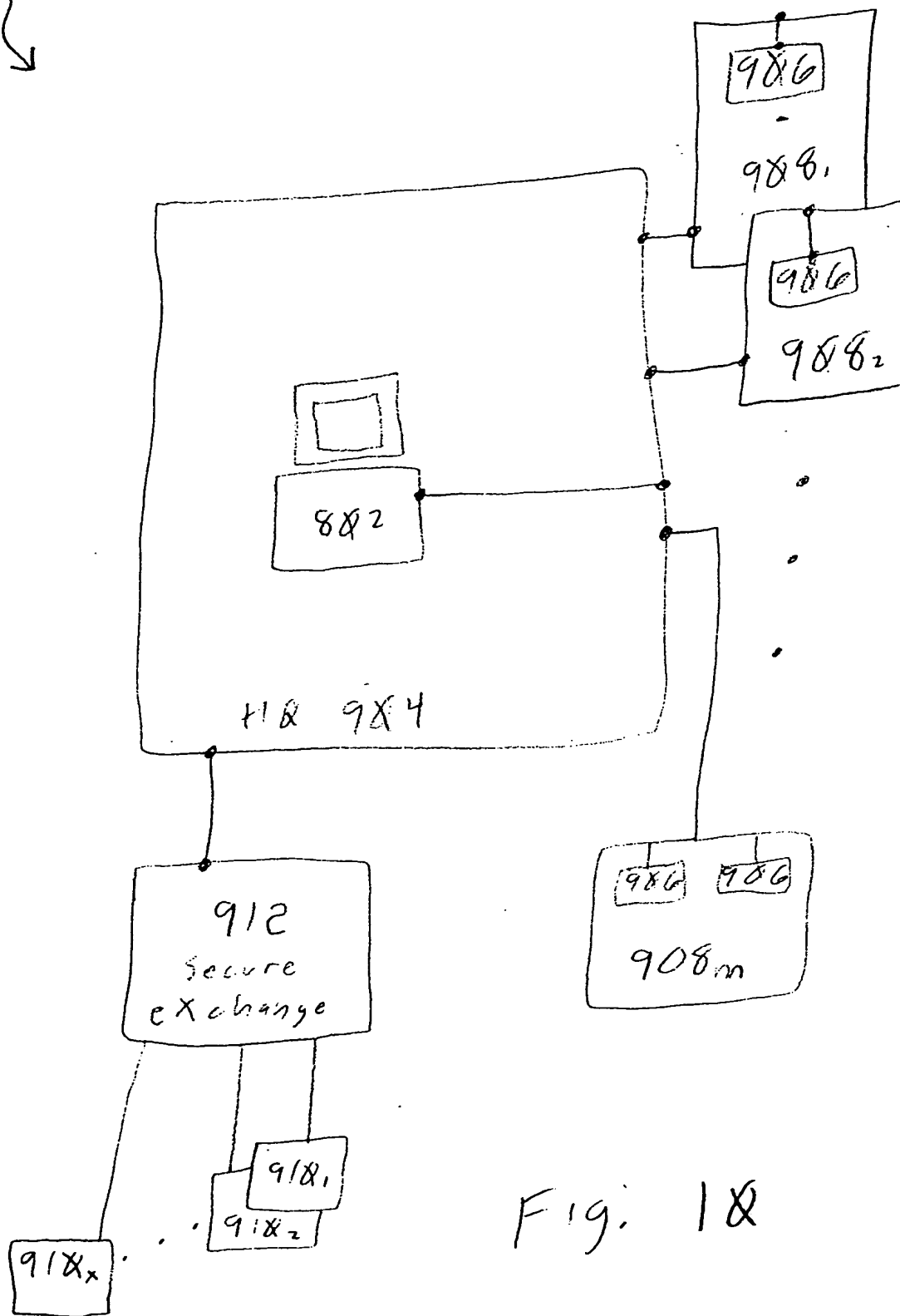


Fig. 18